

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1184 Session of  
1981

INTRODUCED BY WILSON, DeVERTER, BURNS, WASS, SIEMINSKI,  
E. Z. TAYLOR, PUNT, KUKOVICH, BOWSER, COCHRAN, PHILLIPS,  
GEIST, MILLER, PRATT, CESSAR, ARTY, HOEFFEL, KOWALYSHYN,  
MORRIS, GRUPPO AND MADIGAN, APRIL 8, 1981

REFERRED TO COMMITTEE ON FINANCE, APRIL 8, 1981

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," implementing school real property tax relief by  
11 redefining "realty tax equivalent" to retain present method  
12 of distribution of the Public Utility Realty Tax.

13 The General Assembly of the Commonwealth of Pennsylvania  
14 hereby enacts as follows:

15 Section 1. Clause (6) of section 1101-A and subsection (a)  
16 of section 1106-A, act of March 4, 1971 (P.L.6, No.2), known as  
17 the "Tax Reform Code of 1971," added July 4, 1979 (P.L.60,  
18 No.27), are amended to read:

19 Section 1101-A. Definitions.--The following words, terms and  
20 phrases when used in this article shall have the meaning  
21 ascribed to them in this section, except where the context  
22 clearly indicates a different meaning:

1       \* \* \*

2       (6) "Realty tax equivalent." The total amount of taxes  
3 which a local taxing authority could have imposed on utility  
4 realty but for this article, and unless otherwise provided shall  
5 be the sum of the product of the real estate property tax rate  
6 and the assessed valuation of utility realty, and the product of  
7 either the corporate net income tax rate authorized by section  
8 602.2 or the business use of occupancy tax rate authorized by  
9 section 602.3, act of March 10, 1949 (P.L.30, No.14), known as  
10 the "Public School Code of 1949," and the assessed valuation of  
11 utility realty. If a local taxing authority levies a business  
12 activities tax in conjunction with a corporate net income tax,  
13 then the product of that tax must also be included in the sum of  
14 the figures.

15       \* \* \*

16       Section 1106-A. Reports by Local Taxing Authorities.--(a)  
17 On or before the first day of April of 1971 and of each year  
18 thereafter, each local taxing authority shall submit to the  
19 department:

20       (1) The name and address of each public utility owning  
21 utility realty within its jurisdiction, and the assessed value  
22 of such utility realty.

23       (2) Its real estate tax rate and (i) the business use or  
24 occupancy tax rate authorized by section 602.2, act of March 10,  
25 1949 (P.L.30, No.14), known as the "Public School Code of 1949,"  
26 or (ii) the corporate net income tax rate authorized by section  
27 602.3 of the "Public School Code of 1949," for its current  
28 fiscal year.

29       (3) The realty tax equivalent, which is the assessed value  
30 of clause (1) multiplied by the tax [rate] rates of clause (2).

1       (4) Its total tax receipts for its last completed fiscal  
2 year.

3       (5) Any adjustment to the assessed values, tax rates, realty  
4 tax equivalents or total tax receipts previously reported  
5 pursuant to clauses (1) to (4).

6       \* \* \*

7       Section 2. This act shall take effect immediately and shall  
8 be applicable upon the effective date of enactment of companion  
9 legislation amending the act of March 10, 1949 (P.L.30, No.14),  
10 known as the "Public School Code of 1949," implementing school  
11 real property tax relief.